

**CITY AND COUNTY OF DENVER, COLORADO
FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION**

**VOLUNTARY EVENT NOTICE RELATING TO
GREAT HALL PROJECT RELIEF EVENT 6 – UNKNOWN STRUCTURAL
CONDITIONS CLAIM RESPONSE**

The City and County of Denver, Colorado (the “City”), through and on behalf of its Department of Aviation (the “Department”), and Denver Great Hall LLC (“DGH”) entered into a Development Agreement dated as of August 24, 2017 (the “DA”). Pursuant to the DA, DGH, among other things, has agreed to design, construct, finance, operate and maintain certain areas within the Jeppesen Terminal (the “Terminal”) at the Denver International Airport (referred to as the “Great Hall Project”). Capitalized terms used but not defined herein have the meanings given them in the DA.

In the fall of 2018, DGH tested concrete samples from certain areas of Levels 3 and 5 of the Terminal (the “Phase I Construction Area”) for the Great Hall Project. On November 2, 2018, DGH provided the Department a notice of Relief Event indicating that preliminary test results of certain concrete samples from the Phase I Construction Area yielded compressive strength results lower than the design strength that was specified in the DA (“Relief Event 6 – Unknown Structural Conditions”).

On July 26, 2019, DGH formally submitted a Relief Event Claim for Relief Event 6 – Unknown Structural Conditions (the “Relief Event 6 – Unknown Structural Conditions Claim”) along with several other Relief Event Claims. In the Relief Event 6 – Unknown Structural Conditions Claim, DGH requests from the City specific monetary compensation and schedule relief that DGH claims has resulted from Relief Event 6 – Unknown Structural Conditions.

On August 9, 2019, the City filed its response to the Relief Event 6 – Unknown Structural Conditions Claim in the manner required under the DA, which response is attached hereto as Appendix A.

For additional information about the Great Hall Project and the Airport, see the Official Statement related to the City and County of Denver, for and on behalf of its Department of Aviation, \$2,341,710,000 Airport System Subordinate Revenue Bonds, Series 2018A and \$184,365,000 Airport System Subordinate Revenue Bonds, Series 2018B, available on Electronic Municipal Market Access system.

Dated: August 9, 2019

APPENDIX A



August 9, 2019

Mr. Ignacio Castejon Hernandez - CEO
Denver Great Hall, LLC
24735 East 75th Avenue, Suite 100
Denver, CO 80249-6340

Re: **Owner Response to Developer's Relief Event Claim for Relief Event #6**

Dear Mr. Castejon,

On August 17, 2017, the City and County of Denver, through and on behalf of its Department of Aviation (the "**Owner**") and Denver Great Hall LLC ("**Developer**") (collectively the "**Parties**") entered in to a Development Agreement for the Great Hall Project (the "**DA**"). Capitalized terms used, but not defined in this letter, shall have the meaning set forth in the DA. Nothing in this letter modifies or waives any rights or obligations in the DA.

Attached to this letter is the Owner's response to the Developer's Relief Event Claim for Relief Event #6 related to Unknown Structural Conditions filed on July 26, 2019.

Sincerely,

Michael Sheehan
Sr. Vice President, Special Projects
Denver International Airport

Cc: Xavier DuRán Cristal Torres
 Gisela Shanahan Everett Martinez
 Stephanie Minutillo Tiffanie Stasiak
 Max Taylor Yukiko Kojima
 File



OWNER RESPONSE
TO DEVELOPER’S RELIEF EVENT CLAIM RECEIVED JULY 26, 2019
FOR
RELIEF EVENT #6 – UNKNOWN STRUCTURAL CONDITIONS

A. Introduction

The City and County of Denver, through and on behalf of its Department of Aviation (the “**Owner**”) and Denver Great Hall LLC (“**Developer**”) entered into the Development Agreement, dated as of August 24, 2017 (as amended, the “**DA**”). All capitalized terms used in this response and not otherwise defined have the meanings set forth in the DA.

On July 26, 2019, Developer delivered to the Owner its Relief Event Claim for Relief Event #6 related to Unknown Structural Conditions (“**Developer’s Claim**”). Under Section 11.2.9 of the DA, upon receipt of “a Relief Event Claim submitted in full in accordance with Section 11.2.4, the Owner shall issue a written determination as to the extent, if any, to which it concurs with Developer’s request (including reasons).” In accordance with the requirements under Section 11.2.9 of the DA, the Owner specifically addresses areas of concurrence and the reasons for such concurrence below (the “**Owner Response**”).

B. Owner Determinations

I. RELIEF EVENT #6 – UNKNOWN STRUCTURAL CONDITIONS

Developer submitted a Relief Event Claim for “Relief Event 6 – Unknown Structural Conditions.” Regarding Relief Event #6, Developer’s Claim concerns the discovery of certain concrete conditions in the slab at the Terminal’s Level 5. Developer asserts that this discovery was a deviation from the conditions reflected in the Owner-provided Baseline Structural Documents, entitling Developer to monetary compensation and an extension of time, including an extension to the Scheduled Project Substantial Completion Date, the Project Substantial Completion Long Stop Date, and the Project Final Acceptance Deadline.

Developer has failed to account for its concurrent delay or meet the requirements to establish the occurrence of a Relief Event under the DA entitling Developer to any additional compensation, time extension and/or any other relief related to Relief Event #6. Further,

Developer failed to demonstrate that it mitigated any consequences of Relief Event #6, as required by the DA. As such, Developer's Relief Event #6 does not meet the definition of Relief Event as defined in the DA.

II. DETERMINATION

Pursuant to the DA, this Owner Response identifies the extent to which the Owner concurs with Developer's Claim and explains the reasons for such concurrence. The Owner does not concur with Developer's Claim for Relief Event #6 – Unknown Structural Conditions, as Developer's Claim does not meet the definition of Relief Event under the DA. The Owner reserves the right to provide additional explanation, reasons, or argument to support its determination that it does not concur with Developer's Claim, including to provide further evidence to support this determination, and it does not waive any legal or factual defenses to Developer's Claim. Pursuant to the DA, this Owner Response constitutes a final determination binding upon the Parties.